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# Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 ISO-00 AGR-01 PA-01 HA-05
COME-00 L-03 SP-02 ICA-11 AID-05 NSC-05 TRSE-00
SS-15 STR-07 OMB-01 CEA-01 /088 W
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R 142212Z AUG 78
FM AMEMBASSY LIMA
TO SECSTATE WASHDC 1413
INFO AMEMBASSY LONDON
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY SANTO DOMINGO
AMCONSUL RIO DE JANEIRO
USINT HAVANA

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E.O. 11652: N/A
TAGS: ETRD, EAGR, PE
SUBJECT: GOP AIDE MEMOIRE ON U.S. SUGAR POLICY

1. ON AUGUST 11 FOREIGN MINISTRY UNDER-SECRETARY FOR ECONOMIC AFFAIRS DE LA PIEDRA CLLED IN DCM TO EXPRESS HIS DEEP CONCERN OVER THE ADVERSE EFFECTS OF HIGHER U.S. SUGAR TARIFFS ON PERUVIAN EXPORTS. HE PRESENTED AN AIDE MEMOIRE, AS FOLLOWS IN PARA 2. DE LA PIEDRA POINTED OUT THAT SUGAR PRODUCTION IN PERU IS LARGELY IN FARM COOPERATIVES AND THAT THE ADVERSE IMPACT THEREFORE IS DIRECTLY FELT BY LOW-INCOME FARMERS. HE CONCLUDED WITH THE HOPE THAT THE INTERNATIONAL SUGAR AGREEMENT WIL BE ACTIVATED SOON SO AS TO BRING SOME ORDER BACK INTO THE WORLD SUGAR MARKET.

2. INFORMAL TRANSLATION OF TEXT OF PERUVIAN AIDE MEMOIRE:
"THE GOVERNMENT OF PERU EXPRESSES ITS DEEP CONCERN OVER TARIFF RISES PROPOSED BY THE U.S. DEPARTMENT OF AGRICULTURE FOR SUGAR
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IMPORTS AND PROTECTIONIST TENDENCIES FOR THIS COMMODITY IN THE U.S. CONGRESS
"THE GOVERNMENT OF PERU BELIEVES THAT HIGHER TARIFFS WOULD HAVE ADVERSE OVERALL EFFECTS BOTH FOR DEVELOPING SUPPLIER COUNTRIES AND THE UNITED STATES. THIS STATEMENT IS BASED ON THE FOLLOWING:
I. ALL COUNTRIES WITH MARKET-BASED ECONOMIES--INCLUDING

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THE MOST DEVELOPED AND PROSPEROUS NATIONS--ARE
INTERESTED IN THE RECOVERY OF WORLD ECONOMIC ACTIVITY.
THIS INVOLVES AN IMPROVEMENT IN THE SITUATION
OF BOTH DEVELOPED AND DEVELOPING COUNTRIES, AS THE
LATTER ARE IMPORTANT BUYERS OF MANUFACTURED GOODS
AND TECHNOLOGY FROM THE FORMER. STRONGER PARTICIPA-
TION IN INTERNATIONAL TRADE ON THE PART OF DEVELOPING
COUNTRIES DEPENDS LARGELY ON COMPETIVITIVE ACCESS FOR
THEIR EXPORTS TO MARKETS OF DEVELOPED COUNTRIES.
RESTRICTIVE MEASURES FOR THEIR EXPORTS PRODUCE THE
OPPOSITE EFFECTS.
II. THE PRESENT (U.S.) ADMINISTRATION--AS WELL AS FORMER
ADMINISTRATIONS--HAS POINTEDOUT CLEARLY AND CORRECTLY
THE DANGER OF A PROTECTIONIST TREND, URGING THE GOVERN-
MENTS OF DEVELOPED NATIONS NOT TO CONTRIBUTE TO
EXPANISION OF ACTIONS OF THIS SORT, VIEWED AS DETRIMENTAL
TO BHT INTERNATIONAL TRADE AND THE NATIONAL ECONOMIES
INVOLVED. THESE EXPRESSIONS ARE INCONSISTENT WITH THE
PROTECTIONIST ATTITUDE REGARDING SUGAR IMPORTS FROM
DEVELOPING COUNTRIES WHICH APPEARS TO BE DOMINANT.
III. AT PRESENT SUGAR IS PROCESSED AT A LOSS IN MANY
DEVELOPING COUNTRIES, DUE TO CATASTROPHIC MARKET
CONDITIONS. RESTRICTIVE MEASURES WOULD AGGRAVATE
THE SITUATION OF SUGAR-MANUFACTURING ENTERPRISES,
WITH ACCOMPANYING ILL EFFECTS ON THE MANY WORKERS
WHO TOIL IN FIELDS OR SUGAR MILLS.
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IV. WITH RESPECT TO INTER-AMERICAN RLEATIONS, THE
DAMAGE TO THE IMAGE OF THE U.S.A. CAUSED BY THE
ESTABLISYMENT OF RESTRICTIONS FOR LATIN AMERICAN
EXPORTS IS WELL-KNOWN. THIS IS EXPLOITED BY A SEC-
TOR OF THE MEDIA TO DISTORT THE TRUTH OF HEMISPHERIC
RELATIONS, AND BRANDISHED AS PROOF OF THE SELFISH
ATTITUDE OF THE U.S.A. TOWARD NATIONS LOCATED SOUTH
OF THE RIO GRANDE. WHAT WAS ACHIEVED BY THE NOBLE
ATTITUDE OF THE U.S. ADMINISTRATION AND CONGRESS IN
THE CASE OF PANAMA SHOULD NOT BE PUT ASIDE BECAUSE OF
PROTECTIONIST MEASURES IN BEHALF OF A MINOR SECTOR
OF U.S. ECONOMIC ACTIVITY, WHICH REPRESENTS A MAJOR
ECONOMIC SECTOR IN SEVERAL LATIN AMERICAN COUNTRIES.
V. AS A RESULT OF WORLD ECONOMIC RECESSION AND OTHER
PROBLEMS, MANY DEVELOPING COUNTRIES HAVE
FACED MORE
OR LESS SEVERE CRISES. DOMESTIC IMPOVERISHMENT CON-
COMITANT TO ECONOMIC CRISIS FREQUENTLY PRODUCES TENSE
SOCIAL AND POLITICAL CRICUSTANCES WHICH, IN MANY CASES,
LEAD TO SAD RESTRICTIONS OF HUMAN RIGHTS.
VI. IF THE OBJECT OF THE U.S. ADMINISTRATION AND CONGRESS IS
TO PROTECT DOMESTIC PRODUCERS AFFECTED BY THE DETERIORATED

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SUGAR MARKET, THIS MAY BE ACHIEVED BY ACCESSION OF THE
UNITED STATES TO A REGULATED AND STABLIZED MARKET SUCH
AS THE ONE ENCOURAGED BY THE INTERNATIONAL SUGAR AGREEMENT.
3. COPY OF SPANISH TEXT POUCHED ARA/AND/P.

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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 jan 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** SUGAR, POLICIES, TRADE, AIDE MEMOIRE
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 14 aug 1978
**Decaption Date:** 01 jan 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 20 Mar 2014
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1978LIMA07233
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** n/a
**Enclosure:** n/a
**Executive Order:** N/A
**Errors:** N/A
**Expiration:**
**Film Number:** D780333-0203
**Format:** TEL
**From:** LIMA
**Handling Restrictions:** n/a
**Image Path:**
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**Litigation Code IDs:**
**Litigation Codes:**
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**Message ID:** 03f70d64-c288-dd11-92da-001cc4696bcc
**Office:** ACTION EB
**Original Classification:** LIMITED OFFICIAL USE
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 3
**Previous Channel Indicators:** n/a
**Previous Classification:** LIMITED OFFICIAL USE
**Previous Handling Restrictions:** n/a
**Reference:** n/a
**Retention:** 0
**Review Action:** RELEASED, APPROVED
**Review Content Flags:**
**Review Date:** 05 may 2005
**Review Event:**
**Review Exemptions:** n/a
**Review Media Identifier:**
**Review Release Date:** N/A
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**SAS ID:** 1750846
**Secure:** OPEN
**Status:** NATIVE
**Subject:** GOP AIDE MEMOIRE ON U.S. SUGAR POLICY
**TAGS:** ETRD, EAGR, PE
**To:** STATE
**Type:** TE
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS_Docs/03f70d64-c288-dd11-92da-001cc4696bcc
**Review Markings:**
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EO Systematic Review
20 Mar 2014
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